

Message Text

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14

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 EA-11 IO-15 ISO-00 CU-04 NIC-01

SPC-03 AID-20 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15

STR-08 OMB-01 CEA-02 CIAE-00 COME-00 FRB-02 INR-10

NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 L-03 H-03 PA-03

USIA-15 PRS-01 DRC-01 /204 W
----- 076012

P R 270851Z SEP 73

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC PRIORITY 8300

INFO AMEMBASSY LONDON PRIORITY

AMEMBASSY MOSCOW

AMEMBASSY NAIROBI

AMEMBASSY PARIS

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

USMISSION GENEVA

USLO PEKING

USUN NEW YORK 499

C O N F I D E N T I A L HONG KONG 9738

EO 11652: GDS

TAGS: EFIN PFOR CH TW

SUBJ: PRC CALLS FOR OUSTER OF GRC FROM IBRD AND IMF

REF: STATE 191570

SUMMARY: BY SENDING MESSAGES TO THE IBRD AND IMF CALLING FOR TAIWAN'S IMMEDIATE EXPULSION PEKING HAS AGAIN MADE CLEAR ITS INTENTION TO SEEK THE OUSTER OF THE GRC FROM ANY INTERNATIONAL INSTITUTIONS IN WHICH IT CLAIMS TO REPRESENT CHINA. THERE IS LITTLE EVIDENCE, HOWEVER, THAT PEKING IS ACTUALLY INTERESTED IN ASSUMING MEMBERSHIP IN THESE INTERNATIONAL FINANCIAL INSTITUTIONS AT THIS TIME. IN THE LONG RUN, HOWEVER, CONFIDENTIAL

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WE CANNOT PRECLUDE POSSIBLE CHINESE INTEREST IN SEEKING

SOME FORM OF COOPERATION WITH THESE ORGANIZATIONS. END SUMMARY

1. FOREIGN MINISTER CHI PENG-FEI HAS SENT SEPARATE MESSAGES TO IBRD AND IMF CALLING FOR "IMMEDIATE ACTION" TO EXPEL "REPRESENTATIVES OF THE CHIANG KAI-SHEK CLIQUE" FROM THESE INSTITUTIONS AND THEIR AFFILIATES. WHILE BOTH MESSAGES IMPLY THAT PEKING INTENDS TO TAKE OVER CHINA'S SEAT, CHI, PERHAPS PURPOSELY, STOPS SHORT OF ACTUALLY STATING THAT THE PRC IS WILLING TO PARTICIPATE IN THE CONCERNED ORGANIZATIONS AND THUS SUBJECT ITSELF TO THE RESPONSIBILITIES OF MEMBERSHIP.

2. BY SENDING THESE MESSAGES, PEKING HAS AGAIN MADE CLEAR ITS INTENTION TO SEEK THE OUSTER OF THE GRC FROM ANY INTER-

NATIONAL INSTITUTION IN WHICH IT CLAIMS TO REPRESENT CHINA. IN ADDITION, EXPULSION FROM THESE ORGANIZATIONS WOULD FURTHER ISOLATE TAIPEI. WHILE THE PRC PROBABLY REALIZES THAT THE PARLIMENTARY STEPS REQUIRED TO REMOVE TAIWAN MAY BE PROTRACTED AND COMPLEX, THERE IS NO DOUBT THAT THIS IS THE PRINCIPAL OBJECTIVE.

3. THERE IS LITTLE EVIDENCE, HOWEVER, THAT PEKING IS ACTUALLY INTERESTED IN ASSUMING MEMBERSHIP IN THESE INTERNATIONAL FINANCIAL INSTITUTIONS AT THIS TIME. WE ARE UNAWARE OF ANY PRIOR LOBBYING AMONG FRIENDLY COUNTRIES TO PLACE THE CHINESE MEMBERSHIP QUESTION ON THE IMF OR IBRD AGENDA OR OF ANY OTHER ACTIONS THAT COULD BE EXPECTED TO BE EFFECTIVE AT THIS YEAR'S ANNUAL MEETINGS. IN ADDITION, MEMBERSHIP WOULD REQUIRE (1) A SIGNIFICANT FINANCIAL CONTRIBUTION, (2) ACCESS TO PRC PRINCIPAL STATISTICAL SERIES AND (3) CLOSE CONSULTATION ON ITS ECONOMIC PLANNING IN ORDER TO BENEFIT FROM CREDITS-- ACTIONS WHICH THE PRC WOULD PROBABLY NOT CONTEMPLATE AT PRESENT.

4. IN THE LONG RUN, HOWEVER, WE CANNOT PRECLUDE POSSIBLE CHINESE INTEREST IN SEEKING SOME FORM OF COOPERATION WITH THESE INSTITUTIONS, IF NOT FULL MEMBERSHIP. SUCH A MOVE WOULD REQUIRE BASIS CHANGES IN CHINA'S CURRENT POLICIES.
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OVER THE PAST EIGHT OR NINE MONTHS PRC REPRESENTATIVES AT ECAFE, UNCTAD AND OTHER WORLD ECONOMIC CONFERENCES HAVE INDICATED THAT CHINA TAKES A POSITIVE VIEW OF SOME FORMS OF INTERNATIONAL COOPERATION IN ECONOMIC AND DEVELOPMENT MATTERS. IN RECENT CONVERSATIONS IN PEKING WITH SWISS AMBASSADOR TO GATT PROBST, THE CHINESE DISPLAYED A KEEN INTEREST IN THE POSSIBILITY AND PROCEDURES FOR ATTENDING THE FORTHCOMING GATT TECHNICAL CONFERENCES AS NON-MEMBERS

(HK 9654). WHILE THE PRC WILL NOT ACCEPT FINANCIAL AID OR
TECHNICAL ASSISTANCE FROM A SINGLE COUNTRY, THE PROVISION
OF SUCH HELP BY INTERNATIONAL BODIES MIGHT BE MORE ACCEPT-
ABLE AT SOME POINT IN THE FUTURE.
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